

Voluntary Health Insurance Coverage in California, 1952 to 1963

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■ *More than seven out of every ten of an estimated civilian population of 17.3 million people in California were covered under some form of voluntary health insurance at the close of 1963.*

Between 1952 and 1963, the number of Californians covered for hospital expenses increased from 5.7 million to 12.3 million; for surgical expenses from 5.4 million to 11.6 million; and for regular medical expenses from 3.0 million to 10.1 million.

The percentage covered by health insurance also rose significantly: for hospitalization, from 51.3 to 71.0 per cent; for surgical, from 48.2 to 67.1 per cent; and for regular medical from 27.2 to 57.9 per cent. The rate of increase in hospitalization coverage was slightly higher in California than in the total U.S.; however, the per cent of persons covered remains lower. For surgical coverage, both the rate of increase and the per cent covered are lower in California. For regular medical, growth rates in California and in the U.S. were similar, however the over-all per cent covered is significantly higher in California.

Major medical coverage, which has shown the fastest growth rate, covered only 0.4 per cent of the U.S. population in 1952 and 17.1 per cent by the end of 1963. Comparable figures for California are not available.

THE PERIOD BETWEEN 1952 and 1963 was a period of dramatic growth for voluntary health insurance coverage in both California and the total United States. At the end of 1963, approximately 12,310,000 people, or slightly over 70 per cent of an estimated civilian population of 17,349,000 people in California,* were covered under some

form of voluntary health insurance. This is more than twice the number of persons insured in 1952 and about four hundred thousand more than the number insured the previous year.

Within these 12 years, the number of persons covered for hospital expenses increased by 6.57 million in California and by 53.66 million in the total United States. The increases for surgical insurance coverage were 6.24 million in California and 61.75 million in the United States. For regular medical coverage the increases were 7.0 mil-

Sources: California Department of Finance, Budget Division, California Population—1964; Health Insurance Council, The Extent of Voluntary Health Insurance Coverage, Annual Surveys 1953-1963; Health Insurance Council, Accident and Health Insurance Coverage in the United States, 1952.

*Civilian population estimate as of 1 July 1963.

TABLE 1. *Number of Persons Covered for Hospital, Surgical, Regular Medical, and Major Medical Expenses, California and the United States, 1952-1963*

Year	Number of Persons Covered (in millions)							
	Hospital		Surgical		Regular Medical		Major Medical ¹	
	Calif.	U.S.	Calif.	U.S.	Calif.	U.S.	Calif. ²	U.S.
1952	5.74	91.67	5.40	73.16	3.05	35.80	0.04	0.69
1953	6.46	98.79	6.35	82.35	4.50	42.91	0.09	1.22
1954	6.74	101.49	6.17	85.89	4.30	47.25	0.17	2.24
1955	7.10	107.66	6.56	91.93	5.06	55.51	0.41	5.24
1956	7.77	115.95	7.91	101.32	6.40	64.89	0.70	8.88
1957	9.14	121.43	8.86	108.93	6.78	71.81	0.82	10.12
1958	9.45	123.04	9.18	114.44	7.25	75.40	1.01	12.22
1959	9.89	127.90	9.56	116.94	7.84	82.62	1.30	15.40
1960	10.75	131.96	10.27	121.05	8.56	87.54	1.67	19.12
1961	11.17	135.04	10.71	125.30	9.06	92.63	2.21	24.90
1962	11.95	141.44	11.30	131.18	9.54	98.20	2.59	28.50
1963	12.31	145.33	11.64	134.91	10.05	102.18	2.97	31.99

¹Data from 1952-1956 includes persons with supplementary or comprehensive plans; data from 1957-1963 includes only those with supplementary plans.

²Data are estimated and are based on the assumption that the percentage of California's population covered for major medical expenses is the same as that of the U.S. population.

lion in California and 66.38 million in the United States. Major medical coverage in the United States experienced a gain of 31.30 million which was also the largest percentage increase—the 1963 figure is more than 45 times as great as the 1952 figure—among any of the various types of insurance coverage.

Table 1 shows numbers of persons in California and in the total United States, from 1952 to 1963, who had coverage for hospital, surgical, regular medical and major medical expenses. The number of Californians covered for hospital expenses has increased steadily during the 12-year period from 1952 (5.7 million) to 1963 (12.3 million). The greatest increase for any one-year period, occurring between 1956 and 1957, was 1.37 million.

Prepayment and insurance coverage for surgical expenses has also shown a steady increase with the exception of the one period between 1953 and 1954. The greatest increase during any one-year

period was in 1956 when the number of persons covered for surgical expenses rose by 1.35 million persons.

Prepayment and insurance for regular medical expenses shows a pattern of growth similar to that for surgical coverage. There was also a decrease in the number of persons covered under this type of insurance between 1953 and 1954—a decrease of some 200,000 persons. The greatest increase, however, occurred between 1952 and 1953, not in 1956 as had been the case in coverage for surgical expenses. The number of persons protected for regular medical expenses increased by 1.45 million persons in that one-year period.

Major medical coverage will be discussed in a later section of this report.

Table 2 shows the percentage of the California population and of the United States population covered for various types of expenses between 1952 and 1963.

TABLE 2. *Percentage of Population Covered for Hospital, Surgical, Regular Medical, and Major Medical Expenses, California and the United States, 1952-1963.*

Year	Hospital		Surgical		Regular Medical		Major Medical
	Calif.	U.S.	Calif.	U.S.	Calif.	U.S.	U.S. ¹
1952	51.3%	59.6%	48.2%	47.5%	27.2%	23.3%	0.4%
1953	55.3	63.1	54.4	52.6	38.5	27.4	0.8
1954	55.4	63.6	50.7	53.8	35.3	29.6	1.4
1955	56.0	66.1	51.8	56.4	39.9	34.1	3.2
1956	58.7	69.8	59.7	61.0	48.3	39.1	5.3
1957	66.0	71.8	64.0	64.4	49.0	42.5	5.9
1958	65.6	71.4	63.7	66.4	50.3	43.8	7.0
1959	66.1	73.0	63.9	66.7	52.4	47.1	8.7
1960	69.1	74.1	66.0	67.9	55.0	49.1	10.7
1961	69.1	74.5	66.3	69.1	56.1	51.1	13.7
1962	71.4	77.0	67.5	71.4	57.0	53.4	15.5
1963	71.0	77.9	67.1	72.3	57.9	54.8	17.1

¹Percentage Coverage by State not Available.

Prior to 1958 the United States had experienced an irregular growth pattern in hospital expense coverage; during some years (1953, 1955 and 1956) there were substantial increases in the percentage of population covered for hospital expenses; during others (1954 and 1957) minimal increases or decreases occurred. Since 1958, however, the growth of hospital coverage has been slight but steady. Almost every year finds between 1 and 2 per cent more of the population in the total United States insured for hospital benefits. California's profile has been somewhat erratic throughout the 12 years. Changes in percentage of population covered have been as great as the 7.3 per cent increase shown during one year (1957) to a 0.4 per cent decrease shown during two other years (1958 and 1963).

While each year shows that the percentage of Californians covered by this type of voluntary health insurance is less than that of the total United States population, the gap in coverage rates has been narrowing during the past 12 years. The increase in the rate of coverage amounted to 38.4 per cent in California and to 30.7 per cent in the United States.

The percentage of population covered for surgical expenses for both California and the total United States is also indicated in Table 2. Significant increases in surgical coverage took place between 1952 and 1957. During these five years the percentage of the total United States population with surgical coverage shows a steady increase and, with the exception of 1954, when it amounted to 1.2 per cent, the average annual gain was more than 2.5 per cent of the total population. Since 1957, however, increases have been smaller (less than 2.0 per cent each year) and more consistent. Unlike the United States, which showed no decreases whatsoever, the pattern in California shows substantial year-to-year variations, both upward (6.2 per cent in 1953) and downward (3.7 per cent in 1954).

Between 1955 and 1957 great strides were made in surgical insurance coverage of Californians, with a total two-year gain of over 12 per cent of the population. Since 1957, however, surgical coverage in California has been growing at a much slower pace so that the gap between the percentage of United States population covered has gradually increased until 1963 when a disparity of 4.5 percentage points in the rate of coverage existed.

The percentage coverage in California was slightly greater than that of the total United States in 1952 and 1953. Since that time, however, coverage has been less prevalent at the State level than on the national level, with the result that within the 12-year period, the coverage rate in the total United States has increased 52.2 per cent while in California the increase was 39.2 per cent.

Between 1952 through 1956 regular medical insurance coverage grew more rapidly than in the more recent years. Nationally, annual percentage increases range between 2.2 per cent (1954) and 5.0 per cent (1956). Since 1957, with the exception of 1959, the annual percentage increases have been considerably less substantial. In no case, however, was there a decrease in the per cent of the population covered.

While the United States shows a consistent rise in percentage coverage each year, California shows marked increases in certain years, less spectacular increases in other years, and a decrease in one year, 1954. An irregular growth pattern of coverage between 1952 and 1956 gave way to a more uniform pattern between 1956 and 1963. During these years, the annual percentage increase in coverage ranged between 0.7 per cent (1957) and 2.6 per cent (1960).

A greater percentage of the California population was insured for regular medical expense benefits than was the case in the total United States. The over-all growth pattern of regular medical insurance for both California and the total United States, however, is very similar. During this 12-year period, the rate of coverage increased 113 per cent in California and 135 per cent in the United States.

Regular medical expense coverage was more widespread in California than in the total United States between 1952 and 1963. Each single year shows that the percentage of Californians covered by this type of insurance was somewhat higher than the percentage of the total United States population. The gap, however, is narrowing and in 1963 amounted to a scant 3.1 per cent.

Lastly, Table 2 shows the percentage of the United States population covered for major medical expenses between 1952 and 1963. The data shown for 1952 through 1956 include those persons with either *supplementary* or *comprehensive* prepayment and insurance. Since comprehensive major medical expense insurance encompasses basic plan protection, the number of persons so

protected are included in the hospital, surgical, or regular medical expense coverage figures (as applicable) given for these years (1952-1956) as well as under "major medical." Since 1957, however, the data shown include only those persons with *supplementary* protection. This alteration in recording procedure accounts for the relatively slight increase shown in 1957.

Major medical insurance is the fastest growing type of voluntary health insurance in the United States. In 1952, only 0.4 per cent of the total United States population were covered for major medical expenses; by the end of 1963, after substantial increases in coverage each year, approximately 17.1 per cent of the civilian population had such protection. Hence, over 45 times as many persons in the United States were insured for major medical benefits in 1963 than in 1952. In California, however, over 74 times as many persons were covered by this type of voluntary health insurance in 1963 than in 1952. The discrepancy between the rates of increase in coverage in California and the rates in the United States is due to the faster rate of population growth in California.

Unfortunately, major medical insurance coverage data are not available for individual states. However, if one can assume that the percentage of Californians protected is approximately the same as that of the total United States population, certain estimates can be made. It can therefore be estimated that about 40,000 Californians were protected by major medical insurance policies in 1952 and almost three million persons by 1963.

Table 3 compares data on the percentage increase in California's civilian population with numbers and per cents of increase in persons covered by hospital, surgical, and regular medical pre-

payment and insurance between 1952 and 1963.

While hospital coverage did not experience any year-to-year decreases, its growth during 1958 and 1963 was at a slower rate than that of the population. In 1958, California's population increased by 4.1 per cent and coverage by 3.3 per cent; in 1963, the population increased by 3.7 and the coverage by 3.1 per cent. The greatest relative gains in coverage were in 1952, 1953 and 1957 when population increased by 4.1 per cent, 4.4 per cent and 4.5 per cent, and coverage increased by 12.5 per cent, 12.7 per cent and 17.7 per cent, respectively.

Surgical coverage, on the other hand, experienced a net increase during a one-year period. In 1954, there was a 2.9 per cent decrease in coverage while the population increased by a 4.2 per cent. In 1958, surgical coverage increased by 3.6 per cent while the population increased by 3.1 per cent, and in 1963, coverage increased by 3.0 per cent and population by 3.7 per cent. In 1953 and 1956, however, population increased by 4.4 per cent and 4.6 per cent and surgical insurance coverage increased by 17.8 per cent and 20.3 per cent, respectively; these were the two largest annual percentage increases in surgical insurance coverage.

A more spectacular growth pattern is shown for regular medical coverage. In 1952, 1953 and 1956, while the percentage increases in California's population were 4.1, 4.4 and 4.6, the percentage increases in regular medical coverage were 29.8, 47.6 and 26.3, respectively. With the exception of 1954, when California's population increased by 4.2 per cent and regular medical coverage decreased by 4.3 per cent, this type of coverage has consistently grown at a rate faster than the state's population.

On the whole, voluntary health insurance cov-

TABLE 3. *Percentage Increase in Population and Number and Percentage Increase in Number of Persons Covered by Hospital, Surgical, and Regular Medical Prepayment Insurance, in California, 1952-1963*

Year	Percentage Increase in California's Population	Number and Percentage Increase in Coverage					
		Hospital		Surgical		Regular Medical	
		No. (000 omitted)	%	No. (000 omitted)	%	No. (000 omitted)	%
1952	4.1	636	12.5	958	9.9	699	29.8
1953	4.4	726	12.7	486	17.8	1,450	47.6
1954	4.2	276	4.3	—184	—2.9	—195	—4.3
1955	4.0	359	5.3	391	6.3	761	17.7
1956	4.6	675	9.5	1,335	20.3	1,332	26.3
1957	4.5	1,372	17.7	954	12.1	390	6.1
1958	4.1	303	3.3	318	3.6	463	6.8
1959	3.8	444	4.7	387	4.2	589	8.1
1960	4.0	862	8.7	705	7.4	722	9.2
1961	3.8	418	3.8	442	4.3	506	5.9
1962	3.6	776	6.9	587	5.8	478	5.3
1963	3.7	366	3.1	343	3.0	511	5.4

erage has more than kept up with California's population increases.

Since the foregoing figures and per cents are gross estimates and do not represent an evaluation of coverage in terms of an available market for voluntary health insurance, perhaps a few comments are in order to place the data in somewhat finer perspective. Aside from those persons, who, for personal reasons, do not desire voluntary health insurance coverage, a significant per cent of those not involved under voluntary health insurance coverage are provided with health care services, or have such services financed for them. These would include—but are not limited to—persons eligible for care through the U.S. Public Health Service, such as American seamen; those persons eligible for care such as veterans whose care in many cases is for non-service-connected conditions; persons who receive care under vocational rehabilitation; people eligible for care under

California's Public Assistance Medical Care and Medical Assistance to the Aged Programs, Armed Forces personnel and dependents covered in the Medicare program of the Department of Defense, the services provided under the Crippled Children's Program administered by the State Department of Public Health; and last but not least, persons who have no other type of coverage but who are not covered by Disability Insurance Hospitalization Benefits, administered by the State Department of Employment.

It is estimated that between 40 per cent to 50 per cent of the remaining five million persons in California in 1963 not covered by voluntary health insurance have some other type of health care protection. Thus, a higher per cent of the population in California has health care service programs available to them than is reflected just in the enrollment under voluntary health insurance programs.

693 Sutter Street, San Francisco, California 94102.

